

## PUBLIC SERVICE COMMISSION OF WISCONSIN

### Minutes and Informal Instructions of the Open Meeting of Thursday, April 12, 2018

The Public Service Commission of Wisconsin (Commission) met as noticed. Present were Chairperson Roberts, Commissioner Huebsch and Commissioner Zipperer.

#### **Minutes**

The Commission approved the minutes of the open meeting of Wednesday, March 28, 2018.

#### **2000-CU-100 – Application of the Town of Florence, as an Electric, Water, and Gas Public Utility, for Authority to Construct a New Office Building in the Town of Florence, Florence County, Wisconsin**

The Commission approved the Notice of Investigation and directed it be signed by the Secretary to the Commission on behalf of the Commission.

#### **6690-EA-190 – Application of Wisconsin Public Service Corporation, as an Electric Public Utility, for Authority to Abandon and Remove Approximately 1,000 Circuit Feet of Single-Phase, Overhead Electric Distribution Line in the Town of Carson, Portage County, Wisconsin**

The Commission approved the Notice of Investigation and directed it be signed by the Secretary to the Commission on behalf of the Commission.

#### **5180-CW-104 – Application of the Village of Rothschild, as a Water Public Utility, for Authority to Construct a Clearwell Addition at the Water Treatment Facility in the Village of Rothschild, Marathon County, Wisconsin**

The Commission approved the Notice of Investigation and directed it be signed by the Secretary to the Commission on behalf of the Commission.

#### **910-WR-104 – Application of the Village of Cambria, Columbia County, Wisconsin, as a Water Public Utility, for Authority to Adjust Water Rates**

The Commission approved the Notice of Proceeding and directed it be signed by the Secretary to the Commission on behalf of the Commission.

#### **3280-WR-114 – Application of the City of Madison, Dane County, Wisconsin, as a Water Public Utility, for Authority to Adjust Water Rates**

The Commission approved the Notice of Proceeding and directed it be signed by the Secretary to the Commission on behalf of the Commission.

**5-ES-109 – Strategic Energy Assessment for the Years January 1, 2018, through December 31, 2024**

The Commission approved the draft SEA and directed that the draft be released for public comment and hearing.

**5820-SB-134 – Application of Superior Water, Light and Power Company for Authority to Issue Long-Term Debt Securities Not to Exceed \$12 Million**

The Commission approved the application of Superior Water, Light and Power Company for Authority to Issue Long-Term Debt Securities not to exceed \$12 Million.

The Commission directed the Division of Energy Regulation to draft an order consistent with its decision.

**9709-FG-2018 – Energy Innovation Grant Program (EIGP) Funded by a Grant Awarded by the Department of Energy, SEP-Formula, on July 27, 2009**

The Commission modified and approved the proposed eligibility criteria and program design for the Energy Innovation Grant Program (EIGP) as follows:

1. With regard to the eligibility criteria for 2018, the following three areas of interest for this first grant round shall be manufacturers of all sizes; K-12 school districts; and municipal and tribal governments. As the Focus on Energy program (Focus) has a Large Energy Users program, the Commission directed that projects funding through the EIGP shall be carefully evaluated to minimize overlap with Focus and ensure sure that the EIGP is complementary and, when necessary, supplemental to Focus.
2. With regard to the eligible activities to be funded, the Commission accepted planning and implementation activities as the two eligible categories of activities, and clarified that energy storage projects and feasibility studies would be eligible activities within these categories.
3. With regard to funding, the Commission accepted a 2018 budget of \$5 million for 2018 grants and did not impose specific caps on the size of the projects or establish target allocations for specific types of applicants.
4. With regard to the scoring criteria to be used when reviewing applications, the Commission directed that elements within the scoring criteria be established that recognize the benefits of innovation and energy resiliency.
5. The Commission directed Commission staff to work with the delegated Commissioner to develop and receive approval of the Requests for Proposal and application documents,

and proceed upon approval from the delegated Commissioner with solicitation of applications for the program.

The Commission directed the Division of Business and Program Management to draft an order consistent with its decision.

## **5-BF-2018 – FY 2018 Broadband Expansion Grants**

### **Fiscal Year 2018 Round 2 Broadband Grant Awards**

The Commission reviewed the applications for broadband expansion grants and determined the applications to which funds should be awarded for the second round of grants in Fiscal Year 2018.

The Commission approved the requests to supplement the record with the minutes of the February 19, 2018, meeting of the Polk County Board of Supervisors; the Memorandum of Understanding between Reedsburg Utility Commission, the Town of Spring Green and the Village of Spring Green, dated February 1, 2018; and the Broadband Pledge Agreement of the Town of Brazeau, Oconto County, dated January 16, 2018.

The Commission approved modifications to the standard terms and conditions to be included in the Final Decision.

The Commission took note of the screening panel's concerns regarding the eligibility of the application of ComElec Services, Inc., for the Village of Benton, but found that it was not necessary to rule on the eligibility of the application.

The Commission selected the following grant recipients at the funding levels noted:

<b>Applicant</b>	<b>Grant Amount Awarded</b>
<b>24-7 Telcom, Inc.</b> Town of Rock Creek - Caryville project	\$70,000.00
<b>24-7 Telcom, Inc.</b> Town of Weston project	\$120,000.00
<b>Amery Telcom, Inc. d/b/a Northwest Communications</b> Town of Apple River project	\$80,000.00
<b>Northwest Community Communications, Inc. d/b/a Northwest Communications</b> Town of Saint Joseph project	\$160,000.00

<b>Somerset Telephone Company, Inc. d/b/a Northwest Communications</b> Town of Somerset project	\$99,000.00
<b>Amherst Telephone Company</b> Town of Bevent project	\$314,854.00
<b>Bertram Communications, LLC</b> Oconto County fixed wireless project	\$600,000.00
<b>Bloomer Telephone Company</b> Bloomer School District project	\$282,500.00
<b>Bug Tussel Wireless, LLC</b> Juneau County project	\$188,982.00
<b>Bug Tussel Wireless, LLC</b> Town of Brooklyn project	\$102,982.00
<b>CenturyTel of Southern Wisconsin, LLC d/b/a CenturyLink</b> Village of Cambria project	\$174,150.00
<b>CenturyTel of the Midwest-Wisconsin, LLC d/b/a CenturyLink</b> Village of Footville project	\$25,875.00
<b>CenturyTel of the Midwest-Kendall, LLC d/b/a CenturyLink</b> Town of Mazomanie project	\$10,500.00
<b>Telephone USA of Wisconsin, LLC d/b/a CenturyLink</b> City of Prairie du Chien project	\$60,480.00
<b>Chequamegon Communications Coopertive, Inc. d/b/a Norvado</b> Town of Barnes project	\$190,000.00
<b>ChoiceTel LLC</b> St. Germain area project	\$150,226.00
<b>Cochrane Cooperative Telephone Company</b> Town of Milton project	\$391,807.00
<b>Eau Claire County</b> Chippewa Valley fixed wireless project	\$200,000.00
<b>Whitewater Wideband LLC d/b/a Edge Broadband</b> Sugar Creek project	\$116,395.00
<b>Ethoplex, LLC</b> Washington County project	\$82,425.00
<b>Green County Development Corporation</b> Bug Tussel fixed wireless project	\$414,234.00
<b>Hexis Communications, LLC</b> Town of Fredonia project	\$2,849.00

<b>Indianhead Telephone Company d/b/a BEVCOMM</b> Island Lake project	\$134,516.00
<b>Iron County Resource Development Association, Inc.</b>	\$47,925.00
<b>Kewaunee County</b> Kewaunee County fixed wireless project	\$40,000.00
<b>Lakeland Communications</b> Town of Eureka project, Phase I	\$156,000.00
<b>Marquette-Adams Telephone Cooperative, Inc.</b> Towns of Montello and Shields project	\$51,873.00
<b>Mount Horeb Telephone Company</b> Town of Brigham project	\$244,200.00
<b>Nextgen Communications, LLC</b> Town of Forest project	\$60,000.00
<b>Bayland Telephone, LLC d/b/a Nsight Teleservices</b> Oconto Falls Business Park project	\$49,230.00
<b>Brown County CLEC, LLC d/b/a Nsight Teleservices</b> Town of Sheboygan Falls Highway O project	\$177,895.00
<b>Oneida County Economic Development Corp.</b> Oneida County fixed wireless project, Phase IV	\$100,000.00
<b>CCI Systems, Inc. d/b/a Packerland Broadband</b> Marinette County project	\$210,733.00
<b>CCI Systems, Inc. d/b/a Packerland Broadband</b> Town of Wabeno Trump Lake project	\$98,000.00
<b>Price County Telephone Company</b> Town of Worcester project	\$250,292.00
<b>The Red Cliff Band of Lake Superior Chippewa</b>	\$224,750.00
<b>Siren Telephone Company</b> Town of Lorain project	\$10,000.00
<b>Solarus</b> Towns of Plover and Grant project	\$170,749.00
<b>SonicNet, Inc.</b> Town of Plum Lake project	\$51,913.00
<b>Mt. Vernon Telephone Company, LLC d/b/a TDS Telecom</b> Town of New Glarus project	\$351,857.00
<b>UTELCO, LLC d/b/a TDS Telecom</b> Town of Monticello project	\$492,915.00
<b>Town of Dunn</b> Hoyos Consulting Fixed Wireless project	\$31,146.00

<b>Town of Liberty Grove</b> fixed wireless project	\$118,760.00
<b>Vernon Communications Cooperative</b> Vernon County fiber project	\$244,701.00
<b>Waypoint Experts, LLC d/b/a Bayfield Wireless</b> Northern Bayfield County project	\$144,257.00
<b>Wittenberg Telephone Company, Inc. d/b/a Wittenberg Wireless LLC</b> Hollister to Pickerel project	\$390,011.00
<b>Total</b>	<b>\$7,688,982.00</b>

The Commission directed the Division of Business and Program Management to draft an order consistent with its decision.

**2800-ER-108 – Application of the City of Kaukauna, Outagamie County, Wisconsin, as an Electric Public Utility, for Authority to Adjust Electric Rates**

The Commission discussed the application filed on behalf of the City of Kaukauna (Kaukauna), as an electric public utility, for authority to adjust electric rates, and made determinations, including the following:

1. The Commission accepted all of the uncontested alternatives identified in the Final Decision Matrix.
2. The Commission determined that it was appropriate to include some sales from the former Appleton Coated facility in the Cp-3 test-years sales forecast.
3. The Commission concluded that it is reasonable for Kaukauna to defer, without carrying costs, approximately \$2.2 million of uncollectible accounts expense and amortize the balance over 10 years beginning in 2018, allowing annual uncollectible expense of \$220,136 in revenue requirement.
4. The Commission concluded that it is reasonable to require Kaukauna to record any recovery from the receivership as a deferred credit, to be returned to ratepayers in a future proceeding.
5. If Kaukauna recovers any funds from the receivership in the future or if Kaukauna receives revenue from the former Appleton Coated facility, the Commission directed that Kaukauna create a regulatory liability to record any funds received from these sources, for return to Kaukauna's customers. The Commission directed that carrying costs accrue on this regulatory liability at 5.00 percent. Instead of directing that the

funds from this regulatory liability be returned to customers in a future rate case proceeding, the Commission directed that an interim order setting rates consistent with its decision be issued in this proceeding until there is reasonable certainty as to the collection of these funds at which time this proceeding shall be returned to the Commission for further action and issuance of a final decision.

6. The Commission authorized a rate of return on rate base of 5.00 percent.
7. The Commission declined to adopt a specific cost-of-service study model and will rely on the results of all models.
8. The Commission modified the proposed revenue allocation and, for purposes of the Interim Order, established an increase of 8.19 percent for all customer classes.
9. The Commission adopted Commission staff's general rate design, as adjusted for the approved, interim, revenue allocation and final revenue requirement.
10. The residential charge shall be \$13.00 per month.
11. The Commission declined to include a separate allocation for fixed transmission costs in the monthly PCAC2 calculations.

The Commission directed the Division of Energy Regulation to prepare an Interim Order, and that the proceeding be returned to the Commission for final action when there is reasonable certainty with regard to the collection of funds from the receivership or Appleton Venture.

The Commission adjourned the meeting at 11:30 a.m.

A handwritten signature in black ink, reading "Steffany Powell Coker". The signature is written in a cursive, flowing style.

Steffany Powell Coker  
Secretary to the Commission